

# Memo

**To:** FCC

**From:** Michelle Johnson

**cc:** Kim Friends, Tennessee State E-Rate Coordinator

**Date:** 10/16/17

**Re:** Category 2 funds

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Category 2 funding is extremely important to my school system. School, local, or state funds cannot replace the money spent by the SLD through the E-Rate program. Since we are in a rural area (no industry), we do not have a big tax base to supplement funds locally.

We have not used all of our full allotment yet. We cannot afford to update all of our schools within the same budget cycle because of the out-of-pocket expense, since the SLD does not fund at a 100% rate. In fact, what I have found, the budget allocated to each school is invariably lower than what the projects are costing. I really think that the budget formula should be adjusted to allow for greater spending per student. As it is now, I have to choose the installation that is at end of life or has hardware that can no longer be purchased as the E-Rate project to be worked on in the coming year.

Please do not do anything to jeopardize the category 2 funding through E-Rate. Our school district does participate each year and is dependent on the funding source. We really appreciate this program.